

**BEFORE THE
ILLINOIS COMMERCE COMMISSION**

In the Matter of the Application of
Williams Local Network, Inc.
For a Certificate To Become a
Telecommunications Carrier
within the State of Illinois

)
)
)
)
)

Docket No. 00-0011

CHIEF CLERK'S OFFICE

JAN 19 9 57 AM '00

ILLINOIS
COMMERCE COMMISSION

TESTIMONY OF MICKEY S. MOON

ON BEHALF OF

WILLIAMS LOCAL NETWORK, INC.

I. INTRODUCTION

Q. PLEASE STATE YOUR NAME, POSITION, BUSINESS ADDRESS AND TELEPHONE NUMBER.

A. My name is Mickey S. Moon. My business address is One Williams Center, MD 28-6, Tulsa, Oklahoma 74172. My telephone number is 918-573-8771. My fax number is 918-573-0669.

Q. WHAT IS YOUR POSITION WITH WILLIAMS LOCAL NETWORK, INC?

A. I am Director of Regulatory Affairs for Williams Local Network, Inc. ("WLNI").

Q. WHAT ARE YOUR RESPONSIBILITIES AS DIRECTOR OF REGULATORY AFFAIRS?

OFFICIAL FILE

I.C.C. DOCKET NO. 00-0011

Appl Exhibit No. 1

Witness _____

Date 3/25/00 Reporter CB

- 1 -

- A. I have responsibility for obtaining operating certification from the appropriate authorities, the implementation of interconnection agreements with the incumbent communications companies and regulatory compliance.

Q. PLEASE BRIEFLY DESCRIBE YOUR PREVIOUS PROFESSIONAL EXPERIENCE AND QUALIFICATIONS.

- A. I have been in the telecommunications industry for five years. Prior to joining Williams in April 1998 I served as Assistant Attorney General for the State of Oklahoma, starting in January of 1995. As Assistant Attorney General I worked in the Public Utility Section of the Attorney General's office where I represented the state's consumers of natural gas, electric and telecommunications services before state and federal agencies and courts.

I received a Juris Doctorate degree from the University of Tulsa College of Law in May of 1994 where I served as the Managing Editor of the Energy Law Journal.

Q. HAVE YOU TESTIFIED BEFORE THE ILLINOIS COMMERCE COMMISSION ("COMMISSION") PREVIOUSLY?

- A. Yes. On February 22, 1999, I testified in support of Williams Communications, Inc.'s application for a Certificate of Service Authority to operate as a facilities-based carrier and reseller of interexchange telecommunications services within the State of Illinois, Docket No. 99-0079. Williams Communications, Inc. is the parent corporation of WLNI.

Q. ARE YOU FAMILIAR WITH THE APPLICATION THAT WAS SUBMITTED BY WLNI TO THE COMMISSION ON JANUARY 4, 2000, FOR A CERTIFICATE TO BECOME A TELECOMMUNICATIONS CARRIER WITHIN THE STATE OF ILLINOIS ("APPLICATION")?

- A. Yes.

Q. DO YOU HAVE ANY CHANGES OR UPDATED INFORMATION TO PROVIDE REGARDING THE APPLICATION?

- A. Yes. I would like to update the information contained in the response to question no. 8 of the Application. Since this Application was filed, WLNI has filed applications for authority to provide facilities-based and resold local exchange services in the states of California and Pennsylvania, in addition to this Application.

Q. DO YOU RATIFY AND CONFIRM THE STATEMENTS THAT ARE MADE IN WLNI'S APPLICATION?

- A. Yes I do, subject to the statement I make in the immediately preceding answer.

FILED 25 2009 11:17 PM PIERCE FENNER SMITH LLP 202 551 4178 TO 1274243031604204 P.25/12

II. PURPOSE AND SUMMARY

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

- A. I submit this testimony on behalf of WLNI to demonstrate that WLNI's Application To Become A Telecommunications Carrier meets the appropriate regulatory criteria and is in the public interest. I also explain the services that WLNI proposes to offer in Illinois.

Q. PLEASE DESCRIBE THE AUTHORITY THAT WLNI SEEKS BY ITS APPLICATION.

- A. WLNI seeks a Certificate To Become A Telecommunications Carrier throughout the State of Illinois. WLNI plans initially to provide carrier access and transport services to competitive local exchange carriers ("CLECs") using a combination of its own equipment collocated in incumbent local exchange carrier ("ILEC") central offices and leased transport. Eventually, Williams may install its own transport facilities in Illinois.

Q. PLEASE DESCRIBE THE CORPORATE STRUCTURE OF WLNI.

- A. WLNI was formed under the laws of the State of Delaware on July 29, 1999. WLNI is a privately-held company and the wholly owned subsidiary of Williams Communications, Inc. ("Williams").

Q. IS WLNI LEGALLY AUTHORIZED TO DO BUSINESS IN ILLINOIS?

- A. Yes. A copy of WLNI's Certificate of Incorporation and its Certificate of Authority to Transact Business in the State of Illinois were attached to the Application as Attachment B.

III. MANAGERIAL AND TECHNICAL QUALIFICATIONS

Q. PLEASE ADDRESS WLNI'S MANAGERIAL AND TECHNICAL QUALIFICATIONS.

- A. WLNI possesses the managerial and technical qualifications to provide its proposed telecommunications services, and to operate and maintain its facilities over which such services eventually will be deployed. WLNI's management team have extensive experience in the telecommunications industry. As indicated, WLNI will be able to rely on the depth of experience represented by WLNI's officers and directors. A description of the backgrounds and experience of WLNI's key personnel, which demonstrate the extensive telecommunications operational and technical expertise of the Applicant, was attached to the Application as Attachment D.

IV. FINANCIAL QUALIFICATIONS

Q. PLEASE DESCRIBE WLNI'S FINANCIAL QUALIFICATIONS.

- A.** WLNI has sufficient financial capability to provide and maintain its telecommunications services throughout the State of Illinois and sufficient financial capability to meet any lease or ownership obligations it may incur. WLNI will rely upon the financial resources of its ultimate corporate parent, Williams Communications Group, Inc. ("WCG") to provide initial funding for network deployment in Illinois. A copy of WCG's most recent SEC Form 10Q, which contains consolidated financial information, was attached to the original copy of WLNI's application as Attachment F.

V. WLNI'S PROPOSED SERVICES

Q. PLEASE DESCRIBE THE TYPES OF SERVICES THAT WLNI PLANS TO OFFER IN ILLINOIS.

- A.** Initially, WLNI intends to provide carrier access and dedicated local transport services in the State of Illinois. WLNI's network will consist of high speed capacity fiber which will be used to provide transport services to interexchange and local exchange carriers. Additionally, WLNI will collocate equipment in the central offices of incumbent carriers to provide local exchange and exchange access services to WLNI's customers.

WLNI seeks authority to offer local exchange services to single line and multi-line customers (including basic residential and business lines, PBX trunks, and private lines) and switched and special carrier access services to common carriers.

WLNI also requests authority to offer interexchange services throughout the State of Illinois, including both inbound and outbound interLATA services. These service offerings will be accomplished through a combination of its own facilities and through the resale of the facilities of other certificated carriers.

Q. WHAT FACILITIES WILL WLNI USE TO PROVIDE ITS PROPOSED LOCAL TELECOMMUNICATIONS SERVICES?

- A.** Initially, WLNI plans to collocate state-of-the-art telecommunications equipment (including Multiplexers and Asynchronous Transfer Mode equipment) in central offices of incumbent local exchange carriers. WLNI is in the process of obtaining backbone transport services and facilities, including fiber-optic transmission facilities, from other certificated carriers. These transport services and facilities will be used to connect WLNI equipment collocated in various incumbent central offices with WLNI's network transmission equipment, to provide trunking to WLNI's customers, and to connect WLNI's customers to certain LXC points of presence.

Ultimately, WLNI may offer local exchange or DSL services utilizing its own equipment combined with transport and distribution facilities leased from other authorized carriers or owned by WLNI. Additionally, WLNI may offer interexchange services throughout the State of Illinois through a combination of its own facilities and through resale of the services of other certificated carriers.

Q. WILL WLNI HAVE ANY REPAIR PERSONNEL LOCATED IN ILLINOIS?

- A.** WLNI will not initially have its own personnel located in Illinois. However, WLNI's contract with its equipment vendors includes provisions for maintenance and repair. In the event of a problem with any of WLNI's equipment, WLNI will be able to notify its equipment vendor who will, in turn, dispatch repair personnel promptly to remedy the problem. Thus, WLNI will have access to qualified repair and maintenance personnel twenty-four hours a day, seven days a week. WLNI does not expect to hire a staff of operations and service personnel to maintain and repair WLNI facilities until such time as WLNI installs facilities in Illinois. However, WLNI will make arrangements with underlying carriers to ensure prompt and adequate repairs to any leased or resold facilities.

VI. COMPLIANCE WITH THE COMMISSION'S RULES, REGULATIONS AND POLICIES

Q. IF AUTHORIZED TO BECOME A TELECOMMUNICATIONS CARRIER, WILL WLNI ABIDE BY THE RULES, REGULATIONS, POLICIES AND ORDERS OF THIS COMMISSION, AND THE LAWS OF THE STATE OF ILLINOIS, IN ITS PROVISION OF TELECOMMUNICATIONS SERVICES?

- A.** Yes. WLNI will provide service in the State in full compliance with any and all rules and regulations that have been or may be adopted relating to the provision of WLNI's telecommunications service, as well as any other applicable state or federal rules, regulations, or statutes. For example, WLNI will comply with any competitively neutral requirements that the Commission and/or the State of Illinois may feel are necessary to preserve and advance universal service, protect the public safety and welfare, ensure the continued quality of local services, and safeguard the rights of consumers. WLNI also will comply with all statutory and Commission requirements concerning the filing of tariffs; customer notification of rate increases; customer billing and credit issues; and, to the extent WLNI offers basic local exchange service in the State of Illinois, access to 9-1-1 services; access to telecommunications for persons with disabilities; pay-per-call services. WLNI will additionally comply with all requirements for the filing of regulatory reports and the payment of regulatory assessments.

Q. IF GRANTED CERTIFICATION TO BECOME A TELECOMMUNICATIONS CARRIER IN ILLINOIS, WILL WLNI ABIDE BY THE RULES AND REGULATIONS OF THIS COMMISSION, AS NOW ADOPTED OR THAT MAY BE ADOPTED IN THE FUTURE?

A. Yes.

Q. ARE YOU AWARE THAT, IF GRANTED CERTIFICATION TO BECOME A TELECOMMUNICATIONS CARRIER, WLNI MUST COMPLY WITH THE COMMISSION'S RULES CONCERNING THE PRESERVATION OF RECORDS IN ACCORDANCE WITH 83 ILL. ADM. CODE PART 705?

A. Yes. WLNI recognizes its obligation to comply with the regulations imposed on competitive carriers concerning the preservation of records to the same extent and in the same manner as the incumbent carriers.

Q. ARE YOU AWARE THAT, IF GRANTED CERTIFICATION TO BECOME A TELECOMMUNICATIONS CARRIER, WLNI WILL BE REQUIRED TO COMPLY WITH THE COMMISSION'S RULES CONCERNING THE IMPLEMENTATION OF 911 EMERGENCY SERVICES, AND THE FILING OF REPORTS ON 911 IMPLEMENTATION?

A. Yes. Initially, WLNI will not provide any local exchange telecommunications dialtone service. To the extent that WLNI offers local exchange dialtone service in Illinois, WLNI intends to comply with those requirements and fully meet all of its obligations as a telecommunications carrier.

Q. WHO IS THE PERSON WITHIN WLNI THAT IS RESPONSIBLE FOR THE HANDLING OF 911 ISSUES?

A. I am responsible for 9-1-1 issues.

Q. DOES WLNI INTEND TO COMPLY WITH THE COMMISSION'S RULES CONCERNING THE PROVISION OF TELEPHONE RELAY SERVICES AND OTHER REQUIREMENTS CONCERNING THE PROVISION OF SERVICE TO PERSONS WITH DISABILITIES?

A. Yes. To the extent they apply to WLNI's telecommunications services, WLNI will comply with the Commission's regulations concerning Telecommunications Relay Services, access for persons with disabilities, and telephone assistance programs.

Q. WILL WLNI COMPLY WITH THE COMMISSION'S RULES CONCERNING THE UNIVERSAL SERVICE OBLIGATIONS OF LOCAL EXCHANGE CARRIERS, INCLUDING REGULATIONS CONCERNING CONTRIBUTIONS TO THE UNIVERSAL TELEPHONE ASSISTANCE CORPORATION?

A. Yes. WLNI recognizes that the responsibility to ensure that the goal of universal service is met for all consumers must be shared by all local exchange carriers. WLNI will comply with the requirements of Ill. Adm. Code Part 757 to the extent such

regulations apply to WLNI's services, including joining the Universal Telephone Assistance Corporation ("UTAC"), and meeting the requirements concerning the solicitation and remittance of contributions, and the filing of appropriate reports with the Commission in the same manner as the incumbent carriers. When WLNI offers local exchange service, WLNI will comply with all rules and requirements imposed on local exchange carriers, as now adopted or as may be adopted in the future, in order to bear its fair share of that responsibility.

Q. HOW WILL WLNI GUARD AGAINST SLAMMING?

- A.** As noted, WLNI initially will be wholesaling transport and carrier access services to other certificated competitive carriers in Illinois. As such, WLNI initially will not provide service to end users. In addition, WLNI will not be utilizing telemarketers or other third party vendors to market its services. To the extent WLNI provides services to end users in the future, WLNI will prevent unauthorized switching of customers by obtaining a signed letter of authorization from all new customers. WLNI will comply with Illinois law and the Federal Communications Commission's ("FCC's") regulations regarding how interexchange carriers may change a consumer's Primary Interchange Carrier ("PIC"). WLNI will also comply with the FCC's regulations regarding how carriers may change a consumer's primary local exchange provider.

VIII. WAIVERS AND VARIANCES

Q. WLNI HAS REQUESTED A WAIVER FROM CERTAIN PROVISIONS OF THE ILL. ADM. CODE. WHAT IS THE BASIS FOR THESE REQUESTS?

- A.** The Commission in other cases has found that it is not necessary to apply certain regulatory provisions to competitive service providers and has exempted competitive carriers from the application of these provisions. It is my understanding that the Commission has previously waived or declared inapplicable portions of 83 Ill. Adm. Code Parts 710 and 735 for competitive carriers as such waivers reduce the economic burdens of regulation and are not inconsistent with the law or the purposes and policies of Article XIII of the Act.

Q. PLEASE DESCRIBE WLNI'S REQUEST FOR A VARIANCE FROM 83 ILL. ADM. CODE PART 735.180.

- A.** WLNI seeks a variance of Part 735.180, which requires telecommunications carriers to publish and distribute directories to their customers. As WLNI's initial service offering will not include service to end-users, it is not necessary for WLNI to provide any directory listings for its customers. To the extent that WLNI offers local exchange service to end-users, WLNI plans to negotiate an agreement with its underlying carrier(s), Ameritech Illinois and/or other local exchange providers, pursuant to which the underlying carrier will include WLNI's customer listings in its directories and distribute

them to WLNI's customers. As a result, WLNI requests a variance from the requirement that it publish and distribute its own directories.

Q. PLEASE DISCUSS THE BASIS FOR WLNI'S REQUEST FOR A WAIVER OF 83 ILL. ADM. CODE PART 710.

- A.** Part 710 requires compliance with the Uniform System of Accounts ("USOA"). While this provision is appropriately applied to incumbent carriers that have market power, it imposes unnecessary and burdensome requirements on new entrants that are inconsistent with a competitive environment.

WLNI's size and lack of market power are special circumstances that warrant a waiver of the USOA requirement. WLNI keeps its books in accordance with Generally Accepted Accounting Principles ("GAAP"), which will result in a substantially equivalent portrayal of its operating results and financial condition. As a non-dominant carrier WLNI is not required to maintain its books in the USOA system by the FCC.

Finally, it is my understanding that the Commission has waived Part 710 for other competitive carriers, including MFS Intelenet of Illinois, Inc. (Docket No. 93-0409) and MCI Metro Access Transmission Services, Inc. (Docket No. 94-0400). WLNI seeks the same treatment.

Q. PLEASE DESCRIBE WLNI'S REQUEST FOR A WAIVER OF THE REQUIREMENT TO MAINTAIN BOOKS AND RECORDS IN THE STATE OF ILLINOIS PURSUANT TO 83 ILL. ADM. CODE 250.20.

- A.** WLNI requests a waiver pursuant to 83 Ill. Adm. Code 250.20 so that it may maintain its books and records at its principal place of business outside the State of Illinois. WLNI requests that the Commission grant it a waiver to maintain its books and records outside the State of Illinois and in Oklahoma at its principal place of business.

Q. WHO IS THE PERSON WITHIN WLNI THAT IS RESPONSIBLE FOR THE HANDLING OF CONSUMER COMPLAINTS, INCLUDING THOSE THAT MAY BE FORWARDED TO THE COMPANY BY THIS COMMISSION?

- A.** Kathy Case, WLNI's Vice President of Customer Care, is responsible for the handling of consumer complaints, including complaints which may be forwarded to WLNI by the Illinois Commission. Ms. Case may be reached at WLNI's offices in Tulsa, Oklahoma at 918-573-5625. In addition, customers with inquiries or complaints may reach WLNI at its toll-free number, 1-888-465-9516.

Q. THE COMMISSION'S CONSUMER SERVICES DIVISION REQUESTS THAT CARRIERS THAT ARE CERTIFIED TO PROVIDE LOCAL EXCHANGE SERVICE NOTIFY THE DIVISION AT LEAST ONE MONTH PRIOR TO THE ACTIVATION OF LOCAL EXCHANGE SERVICE, IN ORDER THAT THE

DIVISION MAY ASSURE THE NEW ENTRANT'S COMPLIANCE WITH THE COMMISSION'S RULES. WILL WLNI SO NOTIFY THE DIVISION ON A TIMELY BASIS PRIOR TO THE ACTIVATION OF LOCAL EXCHANGE SERVICE?

A. Yes.

IX. CONCLUSION

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes, it does.

In the County of Tulsa)
)
 State of Oklahoma) ss

AFFIDAVIT OF MICKEY S. MOON

I, MICKEY S. MOON, hereby declare that I am Director of Regulatory Affairs of Williams Local Network, Inc., the applicant in the subject proceeding before the Illinois Commerce Commission; that I am authorized by Williams Local Network, Inc to testify before the Illinois Commerce Commission on its behalf; that I have caused the foregoing testimony to be prepared on my behalf; that I have read the foregoing testimony and know the contents thereof; and I do hereby depose and state that this testimony is true and accurate to the best of my knowledge information and belief.

Signed Mickey S. Moon
 Mickey S. Moon

Subscribed and sworn to before me, this 17th day of January, 2000.

Leigh A. Roderick
 Notary Public

My Commission expires on November 1, 2003.

